

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	:
	:
45 JOHN LOFTS, LLC	:
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	:
Debtor,	:
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45 JOHN LOFTS, LLC,	:
	:
Plaintiff,	:
	:
-against-	:
	:
MERIDIAN CAPITAL GROUP LLC,	:
CROWN MANSION LLC, BO JIN ZHU,	:
MEGA INTERNATIONAL COMMERCIAL	:
BANK, CONGREGATION KAHAL MINCHAS	:
CHINUCH, CHAIM SCHIYA BABAD,	:
RELIABLE ABSTRACT CO., LLC,	:
ABRAHAM MANDEL, TOBY MANDEL,	:
SILVER GOLD GROUP LLC,	:
JOSEPH BRUNNER, JOSEPH SEGEL,	:
DAVID JANKLOWICZ, MORRIS LOWY,	:
MITCHELL KIRSCHNER, JERRY LOWY,	:
ISAAC GREENFELD, AND	:
RENATUS PORTFOLIO COMPANY, LLC,	:
	:
Defendants.	:
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Case No. 16-12043 (SHL)

Chapter 11

Adv. Pro. No. 17-01179 (SHL)

TRIAL DECLARATION OF
SHAUL C. GREENWALD

Shaul C. Greenwald, an attorney duly admitted to practice law before the Courts of the State of New York, affirms the following to be true under penalty of perjury:

1. I am the chief executive officer of, and a member of Riverside Abstract LLC (“Riverside”), which is a licensed title agency that provides various types of title insurance policies as an agent for the underwriters of such policies.

2. In or about March 2014, I was contacted by Yisroel Schwartz, an attorney for whom Riverside had provided title services in the past, regarding title insurance in connection with two matters. The first matter was a purchase and sale agreement for real property (the “PSA”) known

as 45 John Street, New York, New York (the “John Street Property”). Riverside opened a file for the transaction (File No. 16467) and ultimately arranged for the issuance of a vendee title insurance policy on behalf of the purchaser, HS 45 John LLC (“HS 45”). My understanding was that Mr. Schwartz represented 45 John Lofts LLC (“John Lofts”), the seller and then owner of the John Street Property.

3. At the same time that Riverside was retained to provide title insurance with respect to the John Street Property, Riverside was also retained to provide title insurance regarding the purchase of membership interest and financing of some of the following four Brooklyn properties (the “Brooklyn Properties”):

203 and 205 North 8th Street
29 Ryerson and 256 Flushing Avenue
32 5th Avenue
97 Grand Street

4. Riverside provided title insurance regarding the Brooklyn Properties (Riverside file numbers 12445, 16788 and 17030A) at the same time it provided title insurance for the John Street Property transaction.

5. I understood that Mr. Miller had contracted to purchase certain membership interests in the limited liability companies that owned the Brooklyn Properties (the “LLC Interests”) and that the proceeds of the financing for such properties, together with a down payment for the John Street Property under the PSA, provided the funds needed for the acquisition of the limited liability company interests. A note to our title closer dated September 17, 2014 indicates that Mr. Miller was acquiring the LLC interests from Mr. Bo Jin Zhu (**Exhibit A**).

6. Both the Brooklyn Properties financing and the John Street Property PSA were finalized on or about September 19, 2014 and funds from both transactions were wired to Riverside’s escrow account. On that date, the firm of Kris & Feuerstein LLP (“K&F”), which

represented the mortgagee providing the mortgage financing on the Brooklyn Properties, wired a total of \$16,073,911.98 to Riverside's escrow account with instructions that such funds, together with funds received from the PSA down payment in the aggregate amount of \$22,500,000 should be wired to the firm of Herrick Feinstein LLP (\$19,762,687.23) and Mega International Bank (\$2,827,312.77) **Exhibit B** with the memo RANY-16467 Renatus/Miller.

7. In addition to the K&F wire, a total of \$13,330,000 was wired to the Riverside escrow account on behalf of HS 45 as part of the PSA Down Payment in accordance with the terms of a "Direction Letter", which provided instructions to Riverside on how to disburse such funds (a copy of the Direction Letter is annexed hereto as **Exhibit C**).

8. Annexed hereto as **Exhibit D** is a schedule and attachments thereto prepared by Riverside and maintained in its ordinary course of business reciting the receipt and source of funds received by Riverside and the disbursement of such funds regarding the Brooklyn Properties financing and the PSA Down Payment. Included in **Exhibit D** are (i) Loan Settlement Statements for the Brooklyn Properties (Bates #R103-105); (ii) a September 19, 2014 letter of instructions from Yisroel Schwartz to wire a total of \$22,500,000 consisting of \$19,672,687.23 to Herrick Feinstein and \$2,827,312.77 to Mega International (R106-107); and (iii) September 19, 2014 email instructions to Riverside from Schwartz to

. . . please send \$500,000 to Reliable Abstract, please send \$2,332,000 to 3839 Funding and please send \$2,000,000 to Babad. I will forward his wire instructions separately. The balance of \$242,000 should be sent to Blaivas. (R108)

9. Subsequently, we received instructions from Mr. Schwartz to wire the \$2,000,000, which he had designated for Mr. Babad, to Congregation Kahal Minchas Chinuch instead. 3839 Funding is a reference to 3839 Holdings LLC, a limited liability company which had previously provided funding to Mr. Miller on an unrelated matter. However, the Riverside schedule of

disbursements (**Exhibit D**) compilation (**Exhibit B**) reflects no wire to 3839 Holdings was made.

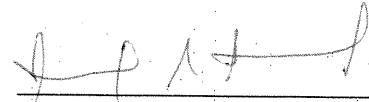
10. As provided in **Exhibit D**, and instructions received from K&F and Mr. Schwartz, Riverside made the following wire transfers on September 19, 2014:

(i)	Herrick Feinstein LLP	\$ 19,872,687.23
(ii)	Goldberg Weprin (counsel for HS 45)	3,077,341
(iii)	Meridian Capital	500,000
(iv)	Mega International	2,827,312.77
(v)	Congregation Kahal Minchas Chinuch (the "Congregation")	2,000,000
(vi)	3052 Brighton Street	1,200,000
(vii)	Reliable Abstract	500,000
(viii)	Riverside invoice	227,341
(ix)	Blaivas (the law firm associated with Mr. Schwartz)	242,000

11. Annexed hereto as **Exhibit E** is a copy of all wire transfers made from the joint escrow fund that had been received by Riverside from K&F and HS 45. Other than the instructions provided in the Direction Letter which were followed by Riverside, the balance of the disbursements were made based upon instructions received from K&F and from Yisroel Schwartz as counsel for John Lofts.

12. Annexed hereto as **Exhibit F** is a November 9, 2014 email exchange between me and Mr. Sam Sprei (with an email address of "Olden Equities Group"), who I understand was a business associate and representative of 45 John Lofts LLC regarding the sale of the John Street Property. Riverside had previously recorded the PSA with the New York City Office of the City Register and in the email exchange Mr. Sprei stated "I didn't want John at [sic] recoded."

Affirmed: March 4, 2022

A handwritten signature in black ink, appearing to read 'Shaul C. Greenwald', written over a horizontal line.

Shaul C. Greenwald